



THE Agricultural Situation

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Outlook Highlights

. . . April 1953

ECONOMIC ACTIVITY and the flow of income to consumers is being maintained at a very high rate. Industrial production continues to expand and retail sales in recent months have held near record levels. In March the output of durable goods was up 13 percent from a year earlier.

Based on business investment intentions, capital expenditures for plant and equipment during the second quarter of this year are expected to be a little higher than in the first quarter. Additional strength for continued economic activity will be provided by the expected further rise in government outlays for national security over the next few months.

On the basis of farmers' intentions to plant, as of March 1, crop production in 1953, assuming average weather, will again be relatively large.

Livestock and Meat

The decline in cattle prices which began last May has carried prices to about a third below a year ago. Some stabilizing may result in the rest of this year from the reduced supply of pork.

Cattle and calf slaughter this year seems likely to exceed 1951 by about 15 percent. This would slow, not halt, the increase in cattle on farms. With pork output likely to be down about as much as beef is up, meat supplies won't be much different this year than in 1952.

If cattle slaughter is about as anticipated, prices for beef probably will level out and be fairly stable the rest of this year. Drought, of course, could change the picture. Dry weather would force farmers to step up marketings and further depress prices.

Dairy Products

Greater declines in prices of cattle than in milk and butter fat have improved the price position of dairy products compared with beef animals, over the past year. Compared with both hog and feed prices, however, dairy product prices are lower than a year earlier.

Most of the price declines for dairy products since last fall have been due to an unseasonably large output of milk. Since consumption of fluid whole milk apparently has changed very little, increased production has shown up in sharply increased output of butter, cheese, and nonfat dry milk solids. Heavy purchases of these three items have been made by USDA, to support prices.

Poultry and Eggs

Egg prices for farmers in January and February averaged well above a year earlier. With production smaller, prices at principal wholesale markets in March continued above a year ago.

Fats and Oils

So far this marketing season (1952-53) the United States disappearance of most fats and oils, except butter, has been above a year earlier. Prices of edible vegetable oils in March averaged a little higher than in February; prices of inedible fats and oils showed little change. Lard has risen substantially this year but is still low compared with prices of edible vegetable oils.

Feed Grains

The United States Department of Agriculture has announced that corn from the 1953 crop will be supported at \$1.58 per bushel, or 90 percent of parity at the beginning of the 1953 marketing year, whichever is higher. Prices for corn have strengthened since early February but are still below support levels. Farmers had placed 229 million bushels of corn under loan and purchase agreement through mid-February this season, a near-record for the period.

Wheat

Wheat prices strengthened during the past month. With large quantities under support, a further rise is likely. Beginning in May, prospects for the new crop usually become the main factor in determining prices.

Fruits and Vegetables

Demand for Florida oranges for concentrating and canning has been strong so far this season. With the crop

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Farmers' Cash Receipts, by States ... From What They Sold

IN MOST STATES, total cash receipts of farmers were lower last year than in 1951. Receipts in nearly all States in 1952 were depressed because receipts from livestock and products were down. Dairy receipts, of course for the country as a whole were up 5 percent, and poultry amounted to about the same as in '51. But all other livestock items were down. Receipts from cattle and calves were down 7 percent; from hogs, 12 percent, and from eggs, 10 percent.

Receipts from livestock and products are widely distributed throughout the country and declines were registered in nearly all States. In addition, the receipts from livestock and products make up such a large part of total receipts in practically all States that the effect of any change on total receipts is usually quite pronounced. For example, in Rhode Island an increase of 21 percent in crops and a decline of 6 percent in livestock and products resulted in an increase of only 1 percent in total receipts in that State. Iowa showed a gain of 43 percent in crops, a decline of 8 percent in livestock and products, and a decrease of 1 percent in total receipts. In Missouri, crops rose 16 percent, livestock and products were down 8 percent, and total receipts were off 2 percent. In all these cases the heavy weight of the declining receipts from livestock and products had much more influence, relatively, on total cash receipts than the gain in crop receipts. Total receipts, accordingly, were greatly depressed.

All But Three States Showed Declines From Livestock

Declines in total receipts were shown in 25 States and gains in 23 States. The changes ranged from a drop of 14 percent in Wyoming to a gain of 33 percent in Kansas, with differences of 5 percent or less in about 60 percent of the States. Receipts from crops in most States were well above the previ-

More From Crops, Less From Livestock

FARMERS received 33.1 billion dollars from marketings last year in the country as a whole. This was 2 percent above 1951. The total volume of farm products sold in 1952 was 6 percent larger than the previous year, but the weighted average of prices received was down 4 percent. Receipts from livestock and products last year were 18.5 billion dollars, down 5 percent from 1951. Crop receipts, on the other hand, were 14.6 billion dollars, showing a gain of 12 percent.

This is the national picture, and you remember, of course, that concealed in the average are some very sharp price drops in certain commodities—notably cattle and sheep. Most of you people out on the farms will want to know some of the details of what took place nearer home. Hence, this article on cash receipts by States.

ous year; increases being registered in 40 States while decreases were shown in only 8. Receipts from livestock and products, on the other hand, were down in all but 3 States. The range was from 21 percent below 1951 in Wyoming to 5 percent above in Georgia.

The over-all decline of 14 percent in cash receipts in Wyoming was due principally to the rather drastic drop of about one-fifth in receipts from livestock and products. Wool prices declined sharply last year, and receipts from wool in Wyoming dropped 48 percent from 1951. Receipts from sheep and lambs, cattle and calves, and hogs were also off substantially, contributing to the decline. On the other hand, receipts from crops, a minor part of total receipts in Wyoming, rose 24 percent above 1951.

Wheat or Cotton Important in Some States

The sharp rise of 33 percent in total cash receipts in Kansas was due mainly to larger marketings of wheat. Receipts from crops in that State were more than double the 1951 level which had been held down because of flood

damage. Some other States also showed substantial increases in total cash receipts. Maine's total receipts were 21 percent above 1951 because of larger marketings and higher prices of potatoes. Total cash receipts in Arizona were 16 percent more than in the previous year as a result of larger marketings of cotton. In Oklahoma, higher prices for wheat accounts for most of the gain of 13 percent in total receipts. A rise of 11 percent in total receipts in Mississippi was due to larger marketings of cotton. In Louisiana, total receipts rose 10 percent because of larger marketings and higher prices of rice. In Oregon the 10-percent rise was due largely to increased sales and higher prices of wheat, to larger marketings of strawberries, and to higher prices of potatoes.

Various Causes in Other States

Other States besides Wyoming that showed substantial declines in total cash receipts were North Dakota, Montana, South Carolina, South Dakota, Florida, and Delaware. Receipts in both North Dakota and Montana were down 10 percent. Those from cattle and calves were down rather sharply in both States. In addition, receipts from

wheat were substantially lower in North Dakota. Total cash receipts in both South Carolina and South Dakota were 8 percent lower than in the previous year. The drop in South Carolina was due mainly to a sharp decline in receipts from cotton, while that in South Dakota resulted chiefly from a substantial drop in receipts from hogs. In Delaware and Florida, total receipts were 7 percent below 1951. Lower receipts from broilers in Delaware and from oranges in Florida were mainly responsible for these declines.

California, Iowa, Texas, and Illinois Head the List

Ranking the States in order of size of 1952 cash receipts, the same States held the highest four positions, and in the same order, as in 1951. California was first with 2.8 billion dollars, up 4 percent from the previous year. Second place went to Iowa with 2.3 billion dollars, down 1 percent from 1951. Third was Texas with 2.1 billion dollars, 3 percent less than in 1951. And Illinois was in fourth place with 2.0 billion dollars, down 1 percent.

Harry C. Norcross
Bureau of Agricultural Economics

Receipts From Farm Marketings, by States, 1951-52

State	Cash receipts		1952 as percent of 1951		
	1951	1952	Live-stock	Crops	Total
	\$1,000	\$1,000	Pct.	Pct.	Pct.
Calif.	2,711	2,807	99	106	104
Iowa	2,361	2,329	92	143	99
Tex.	2,187	2,121	87	108	97
Ill.	2,028	1,999	95	105	99
Kans.	1,047	1,392	94	208	133
Minn.	1,287	1,301	95	121	101
Nebr.	1,154	1,160	92	124	101
Wis.	1,128	1,143	100	114	101
Mo.	1,160	1,133	92	116	98
Ind.	1,142	1,096	94	102	96
Ohio	1,070	1,073	97	107	100
N. Y.	897	930	99	116	104
N. C.	947	930	104	97	98
Pa.	836	848	100	105	101
Mich.	725	744	98	111	103
Okla.	622	704	92	151	113
Ga.	619	652	105	106	105
Ark.	569	620	97	116	109
Miss.	550	610	98	116	111
Wash.	554	597	99	113	108
Ky.	613	583	95	94	95
Colo.	553	580	92	135	105
S. Dak.	601	554	93	91	92
Tenn.	516	523	93	112	101
N. Dak.	584	523	93	88	90

State	Cash receipts		1952 as percent of 1951		
	1951	1952	Live-stock	Crops	Total
	\$1,000	\$1,000	Pct.	Pct.	Pct.
Va.	506	502	95	104	99
Oreg.	431	474	97	122	110
Fla.	507	470	96	92	93
Ala.	444	436	94	101	98
La.	381	420	94	117	110
Ariz.	358	416	87	134	116
Mont.	435	392	85	96	90
S. C.	413	380	96	91	92
Idaho	352	376	93	121	107
N. J.	359	358	96	108	100
Md.	270	269	96	108	100
N. Mex.	236	243	85	145	103
Maine	180	217	97	155	121
Mass.	211	203	94	103	96
Utah	188	178	92	105	95
Conn.	171	168	97	103	99
Wyo.	191	164	79	124	86
W. Va.	140	134	94	106	96
Vt.	119	117	100	93	99
Del.	112	104	89	108	93
N. H.	68	67	97	102	97
Nev.	63	59	91	126	94
R. I.	26	26	94	121	101
U. S.	32,622	33,125	95	112	102

8 Million More Acres Irrigated During the Past 10 Years

HIGH level prices and demand for agricultural products generally during the decade 1940-50 resulted in the greatest expansion in irrigation acreage in the Nation's history. During this period 8 million acres were added to the irrigated land area in the 17 Western States. The expansion took place despite the equipment and materials shortage and the curtailment of public development during the war period. Irrigation has especially moved ahead since the war. From 1945 to 1950 an average of more than a million acres per year was brought under irrigation.

Over 25 Million Acres Now Irrigated—California Leads

The 1950 Census of Agriculture recorded a total of 24,270,000 acres irri-

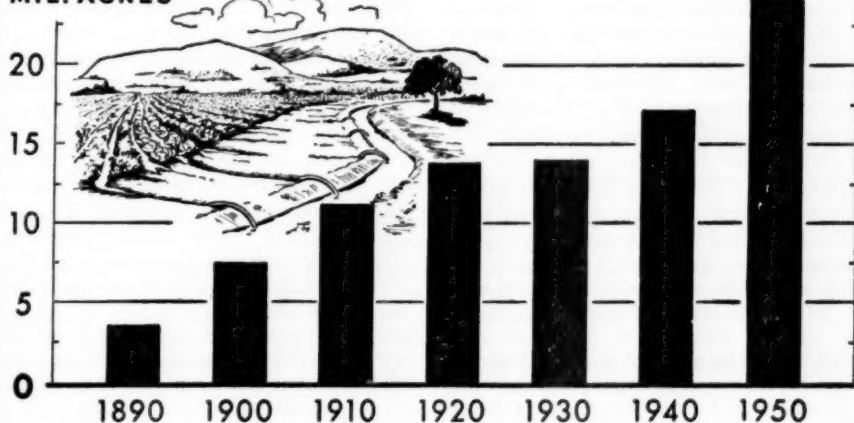
gated in the 17 Western States. The reported irrigated acreage in all States was 25,787,000 on 305,061 farms.

It should be noted that we have two official sources of irrigation statistics, the Census of Agriculture which has provided irrigation statistics since 1890 and the special Census of Irrigation enterprises, begun in 1910, in the States where irrigation is most extensive. The Census of Irrigation has consistently reported a larger acreage under irrigation in the areas it covered. In 1950, special effort was made to reduce the discrepancy between the two censuses. For the 17 Western States, Arkansas, Louisiana, and Florida, the acreage of irrigated land reported in 1950 by irrigation enterprises was only about 2½ percent more than that reported by farms through the agricultural census. The reported acreage in these 20 States in 1950 by the Census of Irrigation was 26,233,215, by the Census of Agriculture 25,634,869.

California far outranks all other States in acreage irrigated. With its

IRRIGATED ACREAGE IN 17 WESTERN STATES

MIL. ACRES



BASED ON DATA FROM CENSUSES OF AGRICULTURE—EXCEPT THAT DATA FOR AREAS IRRIGATED IN 1910 AND 1920 ARE INTERPOLATED FROM CENSUSES OF IRRIGATION FOR THOSE YEARS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 49083-XX BUREAU OF AGRICULTURAL ECONOMICS

6½ million acres of irrigated land, California has twice the irrigation of the next two ranking States. Slightly over 3 million acres were under irrigation in Texas in 1949. The acreage irrigated in Colorado was slightly under 3 million. Idaho had 2,137,000 acres under irrigation in 1949 and in Montana irrigation was practiced on 1,717,000 acres. Wyoming and Oregon each have roughly 1½ million acres under irrigation. Utah, Arizona and Nebraska stand in the 1 million-acre class.

The three subhumid States of Arkansas, Louisiana, and Florida have considerable irrigation; 422,000 acres in Arkansas, 577,000 acres in Louisiana, and 365,000 acres in Florida. In Arkansas and Louisiana the main purpose is for growing rice. Citrus and vegetables are irrigated on a large scale in Florida.

In other Eastern States supplemental irrigation is growing in importance. It is used primarily for crops with high values per acre. However, considerable acreages of pasture and cropland, and to some extent field crops, are supplied supplemental water during extended drought periods. The leading States in supplemental irrigation in 1949 were New Jersey, New York, Massachusetts, Michigan, Wisconsin, and Connecticut.

Perhaps the most noteworthy development in the last few years has been the increased use of ground water, that is, water supplied from wells. The use of ground water increased threefold from 1939 to 1949 in the 17 Western States. In 1939, 2,223,000 acres were supplied entirely by wells. By 1949 this acreage had increased to 6,829,000. Ground water has been developed extensively in California, Texas, Arizona, Nebraska, New Mexico, and Colorado.

Many farmers supplement their surface water source by ground water. In 1949, 2,520,000 acres were supplied water from both surface and ground water. Thus, roughly a third of the irrigation is by ground water. For the most part, this ground water irrigation is handled on an individual farm basis. Less than 5 percent of the farmers depending on ground water alone obtain their water through a mutual or district-type of irrigation enterprise.

Other Questions To Be Answered

YOU WILL SEE in this article how much of our land is now irrigated and how much has been brought under irrigation in the last 10 years. Putting water on the land, where it is needed and when it is needed, is playing a bigger and bigger part in making farming pay for individual farmers, and in supplying the Nation's food and fiber needs.

How much does irrigation help the individual farmer? And how much does it add to the Nation's total farm output? Answers to such questions will be given in a future issue of *The Agricultural Situation*.

A third article will tell us more about the use of irrigation by farmers in the eastern States to supplement moisture supplied directly by nature. The big irrigation job, of course, has been in the West. Much of the farm expansion could not have taken place there if it had not been for irrigation. In the East—especially in the Southeast—clearing and drainage are the big development items. Considerable acreage could be made ready for farming in this area. And so, we hope to have a fourth article to tell us something of the cost to get this land ready for crops and pastures . . . at such time as additional production is needed to match our growing population.

Although the latest census data are for 1950, it is believed that new irrigation since then has continued at about the same annual rate as during the years 1945-50. But expansion at this rate, especially in the West, cannot be expected to continue indefinitely. Water supply is a chief limiting factor. In some areas overdraft of ground water basins by pumped wells has already occurred and may eventually cause some reduction in irrigation.

Looking to the future, the further increases in irrigation in the West will come about largely through the multiple purpose river basin programs. Already under way are two large programs in the Columbia River Basin and the Missouri River Basin. These two projects alone may add 5 or 6 million acres to the irrigated land in these basins in the next 7 or 8 years. Plans as yet unauthorized could add another 3 million acres of newly irrigated land in these two basins.

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That Extra Machine May Pay in the Long Run

MODERN farming calls for careful planning of machinery needs. We must not forget that to be well equipped is to be prepared for emergencies as well as for normal operations. Borrowing from an age-old adage, "A machine in time may save nine."

Economists and farm managers have a way of stressing unit costs and operating efficiency. They say you should aim for a farm big enough to make full use of your labor supply, equipment, and other resources. They want you to organize and operate your farm so you can hold down your cost to say 5 cents instead of 7 cents per mile for operating the farm truck; or 10 cents instead of 15 cents for harvesting a bale of hay; or a dollar and a half instead of 2 dollars for producing a bushel of wheat. They think in terms of total farm costs and production, and work for greater total efficiency and larger net income.

And so they try to guard against overinvestment in farm buildings, and farm machinery and equipment. They point out that a tractor used 1,000 hours per year costs less per hour of use than one used only 500 hours. They point out that a farmer can often save money by not owning a grain combine, a hay baler, or other expensive machine and by hiring custom operators to do the work.

Important Considerations Overlooked

These examples of economic reasoning, pertaining to the use of farm machines and to efficiency in farm production, are not new and are generally accepted as sound. They are mentioned briefly as a starting place for the following discussion of three major points that are sometimes overlooked in discussions of whether or not to buy a particular machine. These three points relate to (1) timeliness of operation; (2) desirable balance in machinery investment; and (3) cash costs.

Farms which are fully equipped have greater advantage in doing jobs on time and in meeting emergencies which require much work in a short time. For example, in the very wet springs of 1943, 1944, and 1945, land preparation and corn planting in the Corn Belt were delayed until farmers began to despair of getting their corn planted at all. During May 1943, rainfall in Illinois was double the normal amount. The fields were so wet that only 15 percent of the corn crop was planted by June 1, which is close to the outside date for corn planting. Then the rains stopped and in the very short time of two weeks the ground was prepared and the remaining 85 percent of the corn was planted. This great feat was possible only because of the tremendous amount of mechanical power and machinery available on farms and a labor force sufficiently large and skilled to keep much of this formidable array going day and night until the crop was planted.

And so timeliness of operation becomes a very important part of the second point treated here, *desirable balance in machinery investment*.

Just how valuable are the machines which farmers buy—over and above a bare minimum requirement—that are so badly needed at rush and critical times? How valuable are the additional tractors which may result in an average tractor use of only 500 hours per year instead of, say, 1,000 hours of use per year? In an emergency such as that just cited, the answer for many farmers is found partially in the value of a good corn crop—maybe 2,000, or 4,000, or even 6,000 bushels compared with practically no crop at all.

Long-run Costs and Benefits Must Be Counted

There may be no mathematical answer to these questions. Emergencies strike unexpectedly and losses from a single crop may well exceed the entire

cost of all machinery over and above a bare minimum. Furthermore, losses from a disorganized farm business because of crop failure may be considerable and even may extend well beyond the year in which the crop loss occurred.

Close measurement of such values is difficult for any farmer, but perhaps no more so than measurement of the value of his extra investment in a larger machine, or a stand-by spray rig to insure high-quality fruit, or two tractors instead of a bare minimum of one . . . such machines doing relatively little work except in rush periods, or when a machine breaks down or some other emergency is on.

Many farmers, and economists too, know that efficiency and economy can be attained on farms possessing much more than a bare minimum of equipment. This becomes possible by taking good care of expensive machines, thereby increasing their useful life and spreading their first cost over a longer period.

Looked at in this way the answer to the question of how many tractors or other machines to own may be found very largely in the number of hours each will be used during its entire useful life instead of in a single year, how much man labor and back-breaking toil will be saved by the extra machine and how much more total farm product for sale will be produced because of better and more timely work.

The problem of proper balance in investment in farm machinery always has been important. Its importance has increased with the tremendous increase in investment required to equip a farm with modern machines and tools. Current dollars vanish rapidly when the beginner attempts to buy a complete set of new equipment, or even a single expensive machine. To equip a family farm fully with modern machines may cost as much now as the entire farm and equipment would have cost back in the horse and buggy days.

. . . And so, many people view with alarm heavy investments in machinery and equipment at peak prices. They point out that if farm prices should drop sharply, operating costs of machinery will be heavy and may be very difficult for the farmer to pay. They warn against overequipping for the future.

There are others, however, who reason that, in general, farmers should try to keep their farms well-equipped at all times with good machines that are paid for. *They believe the farmer should buy when he has the money and can pay for the machines.* Then, if a price recession occurs, he can coast along and continue to operate with less cash outlay than if he had to buy new machines during the difficult years.

—Like Paid-up Insurance

There is, of course, danger of excessive depreciation from obsolescence if one buys too far ahead. This danger may be largely overcome by buying carefully and not in excess of probable needs. Establishment of a replacement account, systematically added to each year, may often help the farmer to time his purchases in accordance with trend of machinery prices and his machinery needs.

And thus, desirable machinery balance may be determined to some extent by the farmer's ability to buy and pay for machines which are suited to his farm; and by his ability to take proper care of them so that their total useful life will be economically related *not only to the total hours of work performed but to their real value in getting critical jobs done well and in season.* Put simply, the problem is similar in some respects to that of selecting the proper size tractor. Generally, the larger the tractor the more it will cost. And while a smaller and cheaper tractor might be satisfactory for 75 percent or even 90 percent of the work to be done, what the farmer often needs is a tractor that will do the heaviest jobs and stand up under such burdens for many years.

The third point relates to *cash outlay, or out-of-pocket costs.* At one time farmers produced much of their power in the form of horses and mules, corn, oats, hay, and pasture. When they began to switch to tractor power, there were those who foresaw certain doom for the farmer because of heavy cash expenditures for off-farm resources such as tractors, gasoline, and rubber tires. But he has continued to prosper. On the average his farm out-

(Continued on page 16)

More Beef to Eat, Less Pork

. . . Little Change in Total Meat

FOR several years consumers have shown a strong demand for beef. Now they are getting much more of it.

At least 15 percent more beef will be produced in 1953 than last year. If dry weather or other unfavorable conditions should result in heavy marketings of cattle, the increase could be greater. The pork supply, on the other hand, will likely be down about 12 to 15 percent. The total red meat supply is not likely to change greatly from last year.

In 1952 the average consumer ate about 61 pounds of beef (in terms of wholesale carcass weight) and 72 pounds of pork. In 1953 the consumption of beef will rise to 68 pounds, maybe more. Average consumption of pork will likely drop by about 10 pounds, to around 61 pounds per person. Thus the average consumer may have 7 pounds more beef than pork this year. Not since 1918 has beef consumption exceeded pork by so much.

Veal will also be more plentiful this year and consumption may increase from the 7.1 pounds last year to 8 pounds or more. Consumption of lamb and mutton will be more nearly steady at around 4 pounds.

The 68 pounds of beef per person indicated for 1953 will be almost, but not quite, up to previous highs. In 1900-1909, the rate per person was about 70 pounds. Average consumption drifted downward for 30 years or more as beef production failed to keep pace with population growth. By the 1930's it was down to 53 pounds. See table. It came back part way in the 1940's, receded, and is now moving up again.

Consumption of pork, though fluctuating from year to year, has been much more stable over a long time. Except for the droughty 1930's it has averaged in the 65- and 70-pound range.

Red Meat Consumption, About Average

Total consumption of red meats is still no higher than the average of the last 10 or 15 years and is less than the nearly 153 pounds reached in 3 of those years. The present rate is short also of the 154-pound average for 1900-1909. However, consumption of red and poultry meat combined is closer to previous highs. Production of turkeys and commercial broilers has been expanded sharply, lifting consumption of poultry meat far above earlier proportions. The 35.4 pounds per person reached last year was a record.

Both analyses of historical trends and reports from consumer budget studies show a slow trend in demand from pork products to beef. It should be borne in mind, however, that no actual consumer preference studies have been done on this problem.

In speaking of this indicated trend toward beef, it would be easy to overstate the case. Any apparent change, other than as linked to income, may be

Meat Consumed Per Person

10-year Averages, 1900-49,
Annual 1950-53

Year	Red meat			Chicken and turkey ²
	Beef	Pork	Total ¹	
Average	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
1900-1909.	69.9	70.8	153.7
1910-1919.	63.0	64.0	139.9	18.9
1920-1929.	55.8	67.2	135.9	19.1
1930-1939.	53.0	61.5	128.8	21.1
1940-1949.	59.5	70.2	145.2	28.2
By years				
1950.....	62.5	68.1	142.4	31.0
1951.....	55.2	70.6	135.8	33.7
1952.....	61.0	71.9	144.1	35.4
1953 ³	68.0	61.0	141.0	35.0

¹ Includes veal, lamb, and mutton in addition to beef and pork.

² 1910-29, chicken only. Turkey added 1930.

³ Forecast.

an increasing taste for lean meat of all kinds over fat meat. Among pork products, consumers have turned away much more from fatty cuts than from lean. Hams, loins, and bacon are still high in consumer acceptance. It is possible that consumers increasingly choose the leaner selections of even the preferred cuts, although there is little statistical evidence on this. Moreover, population shifts account for a part of the reported relative decline in demand for pork. Population is growing fastest on the West coast, a beef consuming area. The pork-consuming South—especially the rural South—is no longer outgaining other parts of the country in population growth.

High prices for beef and for cattle the last 3 years have sometimes been attributed almost exclusively to consumer demand. This was a factor, but even more responsible were the relatively small supplies of beef at that time. After about 1948, when livestock producers started to convert big feed supplies into meat, they were able to increase output first for pork. Pork consumption quickly climbed to about the 70 pound level. The beef supply, however, was actually reduced at first, as producers withheld stock to build up herds. And beef consumption in 1951 hit a 7-year low of 55 pounds.

Not until the middle of 1952 was increased production of cattle reflected in a rising slaughter and a growing beef consumption.

The large pork supply held prices of hogs comparatively low through much of 1951 and 1952. Responding to the prices and influenced by the outlook for more beef, hog producers cut back pig crops in 1952 and are making a further reduction this spring. Their intentions last December were to have 13 percent fewer sows to farrow this spring than last. At an average size of litter, the 1953 spring pig crop would be the smallest spring crop since 1938.

Now that beef output is rising and pork falling, their prices also are making criss-cross trends. Beginning last fall the supply of beef increased too fast for consumers to accept it readily at retail prices prevailing at that time. It moved into consumption freely only after prices were considerably reduced.

"Buyers' " markets developed in cattle, following "sellers' " markets of previous years. Price declines for cattle have been so severe as to carry every class to about a third lower than a year ago. Meanwhile, prices of hogs have risen several dollars per 100 pounds since December. They are now appreciably higher than last year. These opposite price trends incidentally prove that pork still has a considerable demand of its own.

A Look Ahead as to Prices

Prices of hogs are likely to continue above last year. They will probably go through about the usual seasonal changes, perhaps declining somewhat this spring, increasing during summer, and declining again during the fall. The price outlook for cattle is less certain. As prices already have declined considerably, and since the smaller pork supply will offer less competition with beef, there is a good chance that cattle prices generally will show more stability the rest of this year. This is the most likely outlook. However, the record inventory of 94 million cattle on farms could result in large, price-depressing marketings in the event of prolonged drought. Cattle are not yet being slaughtered as fast as they are being produced. Only after slaughter has exceeded production—so as to pull down inventories—and then itself is reduced, can any great rise in cattle prices be expected. This may not happen for 2 or 3 years or longer.

Present shifts in meat supply are partly permanent, partly temporary. Cattle production will likely retain a higher position relative to hogs than in past years. Yet, the events of 1953 are cyclical. Hog production is probably now at a low and will bounce back. Pork consumption accordingly is expected to rise moderately in another year. Beef consumption will likely remain at around a 70-pound average for the next few years of cyclically larger cattle slaughter. Thus beef consumption will continue large relative to pork but perhaps not so much larger as in 1953.

Harold F. Breimyer
Bureau of Agricultural Economics

More Fruits and Vegetables Moving by Truck

Trucks Taking Business From Railroads but Trend Varies With Location and With Commodity Hauled

TRUCKS are hauling an increasing share of the Nation's freight. Much of the tonnage gain for trucks since 1948 is due to the larger output of our farms and factories. There is more to haul. But this is only part of the story. To a large extent, traffic by truck is gaining at the expense of railroads.

Facts on the causes and extent of this change are presented in a recent research report of the Bureau of Agricultural Economics.¹ The study deals with the kinds of transportation used for eight fresh fruits and vegetables. The research was conducted under the Research and Marketing Act of 1946.

Judged by unloads at 10 large markets, it was found that from 1948 to 1951 the gain for trucks at the expense of trains equalled 12,000 carloads of these fruits and vegetables. This amounted to 5 percent of the total 1951 unloads of these crops. Potatoes and tomatoes accounted for over half of the 12,000 carloads involved in the shift.

Increased rail freight rates, it was found, have encouraged shippers of these products to use other types of carriers.

Shift Is Varied

The shift to use of trucks for these products varies among commodities and areas. For example, the study showed there was no substantial shift in transporting lettuce from leading sources of supply to the 10 large markets. In contrast, the greater use of trucks for transporting cabbage amounted to a shift of 6 percent of the total unloads.

Among the 8 fruits and vegetables going to 10 markets, in 1951, greater use

of trucks took away about 4,800 carloads of freight the railroads would otherwise have transported from Florida. Nearly all of this shift was for shipments going to the large markets east of the Mississippi River. A similar large change also affected the hauling of fruits and vegetables from four other States—Virginia, Washington, Idaho, and New York. The shift to trucks in hauling fruits and vegetables from those five States accounted for about 72 percent of the total change for the Nation.

Causes of the differences in the shift between areas and commodities are only partly known. In some cases, the growing use of trucks clearly stems from differences in transportation costs and services. These differences include those in rail and truck rates, speed of service, size of shipment, costs of loading and unloading, perishability of the product, and opportunity to reconsign shipments in transit. Sometimes inadequate car supplies may also be a factor.

Some "institutional" conditions, such as the type of marketing channels or the customary practice of shipping oranges to auction markets by rail, are more or less related to transportation. Some other causes are not related to transportation, such as climatic conditions, which bear on the localization of production, which in turn bear upon the length of hauls to the major consuming centers and choice of carriers. The importance of the various causes differs among commodities, among areas, and from time to time.

Location a Factor With Lettuce and Cabbage

California and Arizona together supplied nearly 90 percent of all lettuce

¹ *Diversion from Railroads to Trucks, Selected Fresh Fruits and Vegetables, 1948 and 1951*, by Donald E. Church and James R. Snitzler.

unloaded at the 10 markets during 1951. Two of those markets, San Francisco and Los Angeles, lie within easy trucking distance of the growing areas. Practically all of the shipments to those two cities had been shifted to trucks before 1948. Each of the eight other markets lies half way or more across the country. Railroads carried almost all of that traffic in 1948. They still do, except for occasional truckloads.

In addition to California and Arizona, there are two other large producing areas for lettuce—New York and New Jersey. Among the 10 markets, unloads of lettuce from New Jersey were reported only at New York City and Washington. Those from New York State were reported only at New York City. As distances are relatively short, trucks hauled nearly all of the lettuce from New Jersey and New York State in both 1948 and 1951.

Geography has led to a different situation for cabbage. Cabbage is grown commercially in many parts of the country, so that demand can be supplied from relatively nearby producing areas. Since shorter hauls are involved, a much larger proportion of cabbage than of lettuce moves to market by truck. In fact, by 1948 nearly two-thirds of the cabbage unloaded at the 10 markets came from producing areas that primarily used trucks. Principal rail shipments of cabbage originated in the Texas and Florida producing areas, both of which ship cabbage to nearly all of the eight markets in the eastern half of the country.

However, with use of trucks increasing, railroad unloads of cabbage from Florida to New York City in 1951 were 307 carloads less than in 1948. Those unloads to Philadelphia were down by 182 carloads. Those to Chicago were down by 94, and unloads to the other six markets in the eastern half of the country were off by 117.

"Mixed" Situations Often Temporary

A movement is classed as "primarily" rail or truck if either type of carrier handles more than 80 percent of the total; otherwise, the situation is classified as "mixed." For example, among the movements included in the "mixed" group in 1948 were Florida-to-Atlanta and Virginia-to-New York City, both of which shifted to a truck category in 1951, having moved across the "80-percent" mark.

The study shows that shippers tend to use either rail or truck almost ex-

Farm to Live . . . Live to Farm

. . . This Year's Safety Goal

THE GOAL this year of National Farm Safety Week, to be observed July 19 to 25, is to encourage all farm residents to *farm to live and live to farm* by practicing safety in the home, at work, in traffic, and at play.

National Farm Safety Week, since it was started in 1944, has been jointly sponsored by the National Safety Council and the United States Department of Agriculture.

"This year we are asking farm people to cooperate in an all-out effort to be *accident free in '53*," Ned H. Dearborn, president of the Council, points out. He urges all organizations directly or indirectly interested in farm life and welfare to help publicize the Tenth National Farm Safety Week and its aims.

clusively for movements to any one market. On the other hand, the existence of "mixed" situations, especially for potatoes, tomatoes, and cabbage may lead to further use of trucks at the expense of railroads. Past trends, however, can be reversed at least temporarily. The sharp cut in rail rates on citrus fruits from Florida to Chicago in 1950 apparently was a major cause in reversing the trend of diversion for oranges and grapefruit to that market. In addition, and more generally, the shift to use of trucks was reversed temporarily during World War II. This was because of shortages of trucking equipment and supplies. The Interstate Commerce Commission order banning trip leasing by motor carriers may also slacken or reverse the trend to trucks. It will reduce a trucker's opportunity to obtain revenue on the backhaul. Empty return trips raise costs.

James R. Snitzler
Bureau of Agricultural Economics

A Letter

To Crop and Livestock Reporters

BY THE WAY, I got over the flu, and thanks for all the letters. I even got a "get-well card" and it was a dandy too. A fellow never knows how many friends he's got until something happens.

Speaking of letters, one came in the other day, and I think everyone will be interested in it. Part of it, at least. It's too long to quote entirely, but here is most of it—

"I am one of those guys you call crop reporters, and I am not ashamed of the fact. I think it was about 1913 that I started—as I thought, and still think—doing my duty to my fellowman. I know of nothing that takes so little effort, that helps so many people. I count it a privilege to serve in this capacity. And I know there are hundreds that feel as I do. I just finished reading the last bulletin including your message to us reporters. These letters are interesting, and encouraging. I have wondered many times if many of the reporters write to the department commending them . . ."

I am dropping out the next paragraph of the letter, because it is commenting mostly on one of my previous letters . . . and then the reporter finishes up like this—

"Of course, I do not do any work on the farm any more on account of my physical condition . . . am 67 years of age, and not permitted to do some things I would enjoy. But I can still fill out your questionnaires, and enjoy doing it. I do many other like services. My main ambition is to help others. I have several agricultural responsibilities, and enjoy rendering such services. There has been a lot said, in the last several years, about security for the people. Give me opportunity and responsibility, and I will make my own security."

Now that is what a reporter from Texas who has been on the job for just about 40 years, thinks about the work

he does as a crop reporter. And I think he expresses it awfully well.

☆ ☆ ☆ ☆ ☆

BULLETIN! I just looked over returns on the March intentions report. In one State the returned questionnaires increased 32 percent; in another, 25 percent; and some others were increased by lesser percentages.

Nice going. Give us this kind of assistance and we'll all go places. Thanks.

Sincerely yours,

S. R. Newell, Chairman
Crop Reporting Board, BAE

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Outlook Highlights

(Continued from page 2)

smaller than last year, considerably fewer oranges remained to be marketed than a year earlier. Prices have been running well above a year earlier. Movement of Florida Valencias became heavy in March and prices of this variety may strengthen further. An advance in prices of California Naval oranges also is likely this spring.

The increased production indicated for the spring crops of broccoli, cauliflower, lettuce, and onions points to lower prices than last spring. On the other hand, smaller supplies and higher prices are in prospect for carrots and shallots . . . Potato prices have been declining since last fall; were con-

siderably below a year earlier in late February.

Cotton

Prices of cotton turned upward in mid-January after declining steadily from the beginning of the season. The recent rise reflects a high rate of entries under the CCC loan program and a fairly high level of disappearance.

Only about half as much cotton went abroad the first half of this season as a year earlier. Many importing countries have been consuming more cotton than they have imported and stocks have been reduced. This points to an increase in international trade the rest of this season, unless importing countries plan to end the crop year with relatively low stocks.

(Continued on page 16)

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. A average of reports covering the United States weighted according to relative importance of district and State]

Commodity	Average		Mar. 15, 1952	Feb. 15, 1953	Mar. 15, 1953	Effective parity price Mar. 15, 1953 ¹	
	Base period price ¹	January 1947- December 1949					
Basic commodities:							
Cotton American upland (pound).....	cents	\$ 12.4	31.21	36.00	30.19	31.52	34.10
Wheat (bushel).....	dollars	4.884	2.14	2.20	2.05	2.10	2.43
Rice (cwt.).....	do.	1.92	5.38	5.25	6.54	6.92	5.40
Corn (bushel).....	do.	4.642	1.64	1.65	1.43	1.46	1.77
Peanuts (pound).....	cents	4.8	10.2	10.4	11.0	11.1	13.2
Designated nonbasic commodities:							
Potatoes (bushel).....	dollars	5.580	1.60	2.16	1.79	1.64	1.66
Butterfat in cream (pound).....	cents	26.7	71.2	77.8	66.8	66.6	75.0
All milk, wholesale (100 lb.) ²	dollars	1.68	4.42	4.91	4.64	4.43	4.72
Wool (pound).....	cents	21.0	46.0	53.8	51.7	52.4	59.0
Other nonbasic commodities:							
Barley (bushel).....	dollars	4.88	1.37	1.36	1.28	1.32	1.37
Cottonseed (ton).....	do.	25.90	71.60	61.50	64.50	63.60	72.80
Flaxseed (bushel).....	do.	1.62	5.54	3.88	3.54	3.63	4.55
Oats (bushel).....	do.	3.17	8.52	8.91	7.73	7.83	8.91
Rye (bushel).....	do.	6.05	1.82	1.70	1.57	1.58	1.70
Sorghum, grain (100 lb.).....	do.	1.21	2.53	2.52	2.65	2.66	2.66
Soybeans (bushel).....	do.	9.96	2.84	2.75	2.63	2.81	2.80
Sweet potatoes (bushel).....	do.	9.64	2.36	3.83	3.84	4.01	2.71
Beef cattle (100 lb.).....	do.	7.58	20.20	27.60	18.80	17.80	21.30
All chickens (pound).....	cents	11.0	29.3	27.1	26.6	27.5	30.9
Eggs (dozen).....	do.	21.5	46.6	34.0	42.0	44.7	47.3
Hogs (100 lb.).....	dollars	7.30	21.90	16.70	19.30	20.20	20.50
Lambs (100 lb.).....	do.	8.19	21.90	25.60	20.40	20.30	23.00
Veal calves (100 lb.).....	do.	8.43	22.60	31.40	22.50	20.60	23.70
Oranges, on tree (box).....	do.	2.29	1.23	1.12	1.36	1.40	3.28
Apples (bushel).....	do.	9.96	2.39	2.45	3.19	3.35	2.80
Hay, baled (ton).....	do.	11.87	22.40	25.10	25.60	24.40	26.10

¹ Adjusted base period prices 1910-14, based on 120-month average January 1942-December 1951 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1909-July 1914 for all cotton.

⁴ 60-month average, August 1909-July 1914.

⁵ Adjust base period price 1910-14 derived from 10-season average prices 1943-52.

⁶ Prices received by farmers are estimates for the month.

⁷ Preliminary.

⁸ 10-season average 1919-28.

⁹ Transitional parity, 80 percent of parity price computed under formula in use prior to Jan. 1, 1950.

¹⁰ Revised.

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Total personal income payments (1935-39=100) ²	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) ³	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Commodities	Wage rates for hired farm labor ⁴	Commodities, interest, taxes and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	58	-----	100	100	100	100	100	100	100	100	100
1925-29 average.....	98	-----	232	143	151	184	161	161	155	145	152
1935-39 average.....	100	100	199	118	124	121	125	119	108	117	115
1947-49 average.....	185	294	462	225	240	430	249	275	224	334	291
1950 average.....	200	330	516	232	246	425	255	247	181	340	278
1951 average.....	220	370	566	258	271	470	281	284	226	411	335
1952 average.....	219	388	595	251	273	503	286	302	203	358	307
<i>1952</i>											
March.....	221	382	588	252	275	-----	288	305	177	372	310
April.....	216	382	574	251	276	510	289	291	180	372	306
May.....	211	385	581	251	276	-----	289	281	175	394	313
June.....	204	388	585	250	273	-----	286	277	181	380	306
July.....	193	384	573	251	273	506	296	286	208	376	312
August.....	215	393	591	252	274	-----	287	295	225	372	316
September.....	² 228	³ 399	611	251	271	-----	285	307	227	349	309
October.....	230	³ 402	615	250	269	499	282	316	228	328	301
November.....	234	³ 402	616	249	268	-----	281	318	239	310	295
December.....	235	³ 408	631	246	267	-----	280	309	221	291	280
<i>1953</i>											
January.....	237	409	624	247	267	514	282	296	218	303	281
February.....	239	-----	-----	246	264	-----	280	286	206	305	277
March.....	-----	-----	-----	-----	296	-----	281	277	216	301	274

Year and month	Index numbers of prices received by farmers (1910-14=100)								All crops and live-stock	Parity ratio
	Crops									
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops		
1910-14 average.....	100	100	100	100	100	100	-----	100	100	100
1925-29 average.....	141	118	169	150	135	146	145	143	148	92
1935-39 average.....	94	95	172	87	113	95	95	99	107	86
1947-49 average.....	246	223	384	262	319	195	214	246	270	108
1950 average.....	224	187	402	280	276	200	185	232	256	100
1951 average.....	243	220	436	335	339	193	239	264	302	107
1952 average.....	244	227	432	309	296	195	254	267	288	101
1952										
March.....	251	229	435	309	284	176	265	265	288	100
April.....	250	229	435	313	279	179	308	272	290	100
May.....	245	227	436	303	280	190	285	270	293	101
June.....	238	226	437	319	289	220	250	277	292	102
July.....	230	227	436	311	307	214	257	276	295	103
August.....	236	233	436	319	310	206	229	272	295	103
September.....	240	234	428	329	305	200	182	264	288	101
October.....	240	219	429	311	304	215	189	260	282	100
November.....	248	213	412	288	300	195	238	257	277	99
December.....	247	218	428	268	300	206	256	257	269	96
1953										
January.....	245	214	419	252	291	208	237	251	267	95
February.....	240	206	424	255	287	209	237	247	263	94
March.....	246	208	424	266	291	215	248	253	264	94

¹ Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from reports of the Department of Commerce; monthly data adjusted for seasonal variation.

³ Bureau of Labor Statistics.

⁴ Farm wage rates simple averages of quarterly data, seasonally adjusted. ⁵ Revised.

⁶ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.

Outlook Highlights

(Continued from page 14)

Wool

Prices of wool in foreign markets rose a little from early February to early March while those at Boston were generally unchanged. The average price to farmers advanced nearly a cent a pound from mid-January to mid-February when it was 3½ cents below a year earlier.

Mill consumption of wool dropped from 382 million pounds, scoured basis, in 1951 to 347 million in 1952. Use for military items was down considerably.

Tobacco

Exports of leaf tobacco this year are expected to go higher than in 1952 when leaf exports dropped to the lowest level since 1918. Most of the 24 percent decline from 1951 to 1952 was due to smaller takings by the United Kingdom. That country, however, holds options on a large quantity of tobacco now held in Government loan stocks. This tobacco is expected to move this year.

That Extra Machine May Pay in the Long Run

(Continued from page 8)

put has increased since pre-World War II days by 40 percent.

No small part of this increase has been due to increased mechanization which diverted land once used to grow horse feed to the production of meat and animal products for human use. And this diversion has helped to pay for new farm machines and their operation. For example, the farm sale value of grain and forage consumed by 4 or 5 work animals has amounted to \$500 to \$600 per year, or a total of \$5,000 to \$6,000 during the last 10 years. And when fed to cattle, hogs, or poultry the value was increased considerably, perhaps by at least 30 percent.

The switch to power machines reduced cash costs for horseshoeing, veterinary service, harness, and young animals. It enabled many farmers to reduce the hired labor bill, which on many farms might conservatively be placed at the cost of a full-time man

for 6 months or a year. The average farmer has been able to buy a lot of machinery out of these cash savings in costs and from the sale of increased production. And without these power machines, our farmers would not have been able to produce the large supply of food and fiber required in World War II and since.

The real danger inherent in heavy machinery inventories is that some of the machines actually are not necessary to do a good, timely job of farming, or that the size of the business does not justify such expensive machines and farming methods. A perfect machinery inventory which is in line with requirements for doing a good, timely job of farming . . . that will reduce cash labor costs, and increase cash sales, is not always easy to acquire. But, time spent by the individual farmer in making an organized study of his problem and his potential possibilities usually will pay well in the end.

Martin R. Cooper

Bureau of Agricultural Economics

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